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821
8451
P. 2

Major News Releases and Speeches

May 14 - May 21, 1982

IN THIS ISSUE:

Speeches—

Remarks prepared for delivery by Alan T. Tracy, deputy under secretary of agriculture, before the Governors World Trade Conference, Ft. Lauderdale, Fla., May 19, 1982

Excerpts from remarks prepared for delivery by Secretary of Agriculture John R. Block before the National Forest Products Association, Washington, D.C., May 19, 1982.

Remarks prepared for delivery by Richard E. Lyng, deputy secretary of agriculture, before the Iowa State Trade Conference, Ames Iowa, May 20, 1982

Remarks prepared for delivery by Richard E. Lyng, deputy secretary of agriculture, before a conference sponsored by the Foundation for American Communications and the Delegation of the European Communities, Columbia, S.C., May 21, 1982

Testimony—

Statement by Raymond D. Lett, executive assistant to the secretary, U.S. Department of Agriculture, before the Subcommittee on Department Operations, Research and Foreign Agriculture, Committee on Agriculture, U.S. House of Representatives, May 19, 1982

News Releases—

Eight Employees To Receive USDA's Highest Award

Scientists Tracking Lead on Making Hybrid Crops Disease-Resistant

USDA Proposes Changes to Lessen Regulatory Load Under P&S Act

Haiti Begins Program Against African Swine Fever

Screwworms Threaten Texas Again

IN THIS ISSUE:—continued inside cover

IN THIS ISSUE:—continued

- Exotic Newcastle Disease Diagnosed Again in California**
- Western U.S. to Have Good To Excellent Summer Water Supply**
- Block Names Vern Highley to Head USDA's Agricultural Marketing Service**
- USDA Clarifies Handling of Produce Misrepresentation Cases**
- First Screwworms Found in a Year**
- Medfly Regulations End in Three California Counties**

Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Remarks prepared for delivery by Alan T. Tracy, deputy under secretary of agriculture, before the Governors World Trade Conference, Ft. Lauderdale, Fla., May 19, 1982

It is a great pleasure to be here and to renew the many friendships I have made with state officials since joining the U.S. Department of Agriculture. In conversations before this session opened, I noticed that the subject of federal-state relations kept popping up. And because it is as important to me as it is to you, I wish to address the subject in some detail.

As you know, this administration is pressing for a new federalism—a return of many responsibilities to the state level. There are a number of reasons for this, but the big one is efficiency.

In the past, the federal government has taken over too many jobs and has not handled a lot of them very efficiently. The result has been too much federal involvement and far too much burdensome regulation.

I'm reminded of a piece that appeared in the Bay City Times a while ago: "The Ten Commandments contain 279 words. The Bill of Rights contains 463 words. Lincoln's Gettysburg Address has only 266 words. But the federal directory regulating the price of cabbage has 26,911."

That's just the thing we are trying to get away from. The Reagan Administration is looking to a new federalism to keep government more efficient.

The need for federal-state cooperation in the field of agriculture is critical. Farming here in Florida—and in the other 49 states—is big business. And we want to see that business grow in the 1980s.

The most exuberant growth sector in agriculture over the past 10 years has been the business of selling farm products overseas. That is what I would like to focus on today.

Last year, U.S. agriculture exported \$43.8 billion worth of farm products. Florida, for example, accounted for more than \$617 million worth of sales to foreign customers. And Florida's fruits and fruit juices, vegetables, tobacco and meat and poultry products are well

known overseas, largely because of cooperative federal/state efforts to promote their export.

Present indications are that U.S. farm exports in fiscal 1982 may be larger in volume but not as great in value as last year's record sales. At the moment, it appears likely that agricultural exports in fiscal 1982 will be down more than \$1 billion from the value in fiscal 1981, principally because of price declines for many products and a sharp drop in both volume and value of corn exports.

This will be the first time in 13 years overseas agricultural sales have sagged, compared with the previous year.

But despite the present leveling off, we are still bullish about the future. And we view this setback as a challenge to redouble our efforts and continue the drive to boost exports.

Agricultural exports are a major contributor to the economic health of this country. Each dollar of the \$43.8 billion earned by farm exports in 1981 translated into \$2 of business activity in the overall economy.

But exports do more than that. They help hold down the cost of government farm programs and stimulate a large, efficient and productive food and fiber system that benefits all Americans. They also produce substantial surpluses in agricultural trade that help offset the massive deficits that result from our huge imports of foreign petroleum.

And even beyond that, they sustain production on large areas of U.S. cropland—American farmers now use two acres out of every five to produce crops for export. In fact, more than half of the U.S. wheat, rice, cotton, soybeans and grain sorghum is sold in foreign markets, and these exports provide about one-fourth of farm income.

The states and the federal government work together in many areas, but the major federal role in boosting exports—agricultural and industrial—is making sure that overseas markets do not refuse to accept the production of our farms and factories. A product that is the best in the world, priced just right and available for export simply can not be sold overseas if its export markets are closed by tariff and non-tariff barriers.

We at USDA are making a major effort to open markets that restrict trade through barriers such as the European Community's border protection and Japan's import quotas. The secretaries of state, commerce and agriculture—and the U.S. trade representative—are

coordinating their efforts to fight trade barriers to U.S. agricultural and industrial products wherever they appear.

This joint effort has been especially noticeable in the U.S. approach to the European Community whose border protection and increased use of export subsidies for wheat, sugar, poultry and beef and veal—to name a few—have caused major problems for U.S. agriculture.

Secretaries Haig, Baldrige and Block, and U.S. Trade Representative Brock, have met with EC officials to express our country's determination to stand up for its trading rights in agriculture as well as industry.

The United States is using the same unified approach with Japanese officials to achieve a less restrictive market. Although Japan is our largest single country market, it continues to restrict the entry of a significant number of U.S. farm products. Foremost among these are commodities under import quotas.

On April 12, the U.S.-Japan working group on import quotas met to discuss the legality under the General Agreement on Tariffs and Trade of Japan's 22 agricultural and marine quotas. Our objective is to pave the way for liberalization of trade in the quota commodities. In addition, in October we will begin negotiations on four specific quota items—beef, oranges and orange and grapefruit juice. All of these are of special interest to agriculturists here in Florida.

From the beginning, the Reagan Administration has placed a high priority on the expansion of farm product exports. Secretary Block has made it the number one priority of the U.S. Department of Agriculture. And the Foreign Agricultural Service (FAS for short)—the USDA agency most concerned with overseas marketing of agricultural products—is making a concerted effort to accomplish this objective.

The private sector—through its cooperative market development organizations—and the states—both individually and through their regional trade groups—are also helping in the search for new overseas outlets.

Looking down the road, I can see that agricultural exports will start climbing again as the world economy improves. I also believe the federal government, the private sector and the states—working together—will find new markets for U.S. farm products, and that we will experience an upward movement in shipments.

And what part will FAS play in all this?

FAS is organized (1) to provide agricultural and trade information from around the world, (2) to get and maintain access to foreign markets for U.S. agricultural exports and (3) to assist in the development of these markets.

Each of these functions is essential to sound export growth, and we have a variety of resources with which to carry them out. Our agricultural attaches and counselors monitor trade access, supervise market development work and report on agricultural conditions in more than 100 countries.

Some of the Washington staff analyze global commodity and trade trends, reporting their findings and projections to producers, the trade and the public. Others monitor trade practices of foreign countries, representing agriculture's interests in negotiations against trade barriers and in the conduct of international affairs.

A third group concentrates on direct market development activities, and a fourth is responsible for export credits and the administration of the Public Law 480 program of concessional food sales and food donations to developing countries.

FAS' activities in foreign market development are wide-ranging and varied. Included among them is the sending of government-industry teams overseas to seek out new markets for farm products and to strengthen U.S. sales to existing outlets.

Since last spring, five teams of grain and oilseed specialists have visited 14 countries that have strong growth potential as markets for U.S. farm products. These teams talked to government and trade leaders in Latin America, North Africa, the Middle East, the Indian subcontinent and the Far East. Their purpose was to identify import needs and import problems and to assure their hosts that the United States is a reliable supplier of quality agricultural products.

These teams have had a marked degree of success. So far, their efforts have resulted in an increase in credit guarantees for wheat in Brazil, a Public Law 480 agreement for wheat sales to Morocco, and plans for a pilot noodle plant and a pilot flour mill in China.

U.S. wheat shipments to Brazil and to Morocco are being increased as the result of team efforts. And wheat exports to China will be very near to last year's record level.

FAS also has opened ten agricultural trade offices overseas to service U.S. exporters and foreign importers in the offices' home cities and in the surrounding area. There are offices located in Caracas, Venezuela, and in Manama, Bahrain. Two others are in African cities, and Europe and Asia each have three.

These offices are headed by agricultural trade officers who search out trade opportunities and serve as two-way conduits for information originating in Washington or overseas. This type of trade office can serve as a sharp tool when your state export trade officers are trying to cut their way through some of the underbrush that clogs the way to overseas sales.

Many of these facilities already have helped the export trade officers of some of your states, especially when they have been on short overseas trips. The offices have also served as a base of operations for state officers stationed abroad for more extended periods of time.

At home, the Foreign Agricultural Service works closely with the state departments of agriculture—and with the regional export associations that represent most of the 50 states. One recent coordinated effort was the major food show held in late March in New Orleans by the Southern U.S. Trade Association (SUSTA), a group that counts as its members 15 states here in the South, plus Puerto Rico. One hundred and seventeen exhibitors from 12 states and Puerto Rico were represented at the event.

FAS actively promoted foreign buyer attendance through its overseas offices and supported SUSTA representatives traveling overseas to advertise the exhibition. FAS also sponsored a booth in New Orleans and provided staff support.

FAS will likewise cooperate with the National Association of State Departments of Agriculture in staging a major food show in Atlanta in May of next year. This show, like the earlier one, is designed to promote greater sales of value-added products.

The state departments of agriculture have a special role to play in this area of trade because processed and consumer-ready items are often identified by origin, while bulk items usually are not. This year, the United States will export between \$12 billion and \$13 billion in value-added products. This is twice the value of all agricultural exports

by the United States as recently as 10 years ago. And that adds up to a lot of jobs.

Value-added products include flour and other cereal products, vegetable oils and oilseed meal, animal products—including poultry meat—canned and frozen fruits and vegetables, manufactured cotton and tobacco products—including cigarettes—and a wide variety of convenience foods.

FAS also provides a number of services and publishes many publications to aid U.S. agricultural exporters. One such help is known as TORS—Trade Opportunity Referral Service—a computerized direct-mail service which provides contacts between overseas buyers and U.S. exporters. TORS has been made even faster and more efficient by tying it in with AGNET, a pilot computer project of the U.S. Department of Agriculture and the University of Nebraska.

AGNET is an information delivery network designed to be used by people with no previous knowledge of computers. Up until now, the University employed the system to help users in three ways. Solving agricultural and home management questions; offering timely advice on market conditions and making USDA's national news releases available; and providing an electronic mail and conferencing service. And now it will be used to keep U.S. exporters up-to-date on what overseas buyers want.

FAS also publishes "Export Briefs," a weekly trade bulletin for export agents, trade associations and companies interested in overseas export opportunities. Then, too, there is "Contacts," a monthly newsletter which provides interested foreign importers with descriptions of U.S. food items and information about exporting companies. FAS also publishes many different types of circulars, brochures and a monthly magazine dealing with agricultural trade. These are useful tools in building exports and I would recommend them.

But most of what I have discussed up to this point has already happened. Let's look into the future a bit and see what the states—with USDA assistance or alone—can do to build foreign trade.

We have asked the 55 commodity cooperator organizations representing the private sector to take a greater role in the planning and budgeting of export programs. These groups—although they have doubled their contributions to the private sector/USDA market

development effort in the past five years—are aware that changing conditions require new approaches and greater sacrifice. So they are making stronger efforts than ever before to enlarge their participation in joint market development programs.

We would ask the states to do the same.

These activities could take many forms, depending, of course, on your financial resources, manpower and the mandates of the various departments of agriculture.

Participation in international exhibitions in this country and abroad can be stepped up. Or greater participation in FAS exhibits might be considered. More trade teams can be sent overseas at state expense.

The Export Trading Company Act, now before Congress, can help bring more firms into the export business. Your departments of agriculture can help them by forming trading companies once the Act is passed.

Then, too, stronger efforts can be made to locate new export products in your respective states and to help FAS find markets for them. Closer cooperation between states can be effected, states can muster.

As in the past, we in Washington will give whatever assistance we can. But much of the burden in the future will fall on the state departments of agriculture and their regional organizations. However, I have no doubt that together we will meet whatever challenge the future brings.

I will be glad to answer any questions you may have.

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Excerpts from remarks prepared for delivery by Secretary of Agriculture John R. Block before the National Forest Products Association, Washington, D.C., May 19, 1982.

In the housing industry there are signs the recession is bottoming out. March was the fifth straight month where we saw increases in housing starts. I realize this trend ended when the April report came out—that report did show a decrease in starts—but the April report did

have one positive note. It showed a 2.4 percent increase in building permits for future construction. This was the third straight gain and the fifth in the past six months.

I'm not suggesting these figures are a call for any kind of celebration, but I do think it is important to keep our eyes trained on any positive signs which present themselves.

In fact, the theme of your meeting tells me we're on the right course. Your theme—"Expanded Markets: An Industry Challenge"—doesn't sound like a cry of despair. Instead, it's the kind of upbeat approach that is going to be the real key to recovery.

I want to add USDA's support to your challenge. On both the national and international scene, we have programs designed to expand wood product markets.

USDA also has recently established a small staff within the Foreign Agricultural Service to help the forest products industry meet its goal of increased exports. The staff will have three primary functions: to continue supporting the market development program already underway; to help the industry overcome the trade obstacles in foreign markets; and to provide analyses of international trade matters.

U.S. exports of forest products, already extremely important, are expected to reach nearly \$3 billion this year. Yet, exports of forest products face many of the same obstacles faced by other agricultural commodities. Foreign countries—particularly Japan and Western Europe—want unlimited access to our market, yet they are very selective in allowing access to their own markets.

We are making an all-out effort to remove trade barriers on our forest products in Japan and the Common Market; and it is important that we continue to work toward the reduction of Japanese tariffs on veneers, structural panels, lumber and plywood. In fact, we recently were encouraged by the apparent progress toward resolving the plywood standards issue. This was a result of work by technicians of the American Plywood Association. We are also pleased the industry has made significant progress toward solving the oak wilt problem on shipments of logs to Europe.

Other activities of the forest products unit will include establishment of a field reporting system through agricultural attaches. Through this system, we can gather statistics which can be analyzed and distributed

to U.S. industry. Also, the team is already actively engaged in the key jobs of marketing development and access.

Now, let me say a word or two about the potential of the international market for wood products. I feel that with hard work by the industry and USDA, our exports will more than double by the end of the decade.

The opportunities for these significant increases exist in Japan and Western Europe, as I have mentioned, as well as in Korea and in the Latin American countries. And even the People's Republic of China has begun to show an interest. The indications are strong that the markets are there, if we can just resolve access problems and secure more ready acceptance of U.S. wood products by the foreign wood-using industries.

Before leaving this subject, I want to emphasize that success depends almost exclusively on your industry. The foreign market must become an integral part of your business. It must become a long-term commitment. You cannot set it aside whenever the domestic market becomes robust. It's as simple as this: If you want foreign buyers as reliable customers, you must be reliable suppliers.

Now, to the domestic scene: Nothing could fit more harmoniously into your theme than some of the work taking place at the Forest Service's forest products lab to develop new uses of wood.

A prime example is the truss framed system of house construction. I'm sure most of you have heard of it, but our efforts to promote it are just starting. The American Wood Council and the Department of Housing and Urban Development are demonstrating conventional housing construction has the quality of being cheaper than conventional housing construction with improved structural strength, even though it uses up to 30 percent less structural framing lumber.

Another example, which I know is of special interest to you, is the all-weather wood foundation system. One contractor in Virginia, I understand, is considering development of an entire planned community combining this system with the trussed frame.

Press-Lam for building small bridges is still another product with tremendous potential. It was only three or four years ago that the Federal Highway Administration estimated the United States had more than 100,000 small bridges in need of replacement. Press-Lam, and the

bridge-building technology that goes along with it, are made to order for establishing a market to economically correct this problem.

These are just a few of the developments from our forest products laboratory that appear to be consistent with your theme at this meeting. Most of them have been cooperative efforts with the industry, and certainly their use is dependent on industry.

So much for the products. Now lets talk about the timber resource itself, as it relates to USDA. Despite the grimness of the present market situation, we are still bullish on its future. It is because of this bullishness that we are intent on gradually increasing the sales levels of national forest timber. It is to the benefit of government, the industry and the consumer for us to follow this course.

It will assure future supplies for the dependent mills and communities. It will help hold timber at reasonable price levels. And it will help us bring our national forests under optimum management—without losing a great deal of our old growth forests in the West to disease and decay.

The same bullishness is behind our efforts to assist the private non-industrial forest owner in preparing to meet future wood demand. These efforts include continuation of our timber productivity research. It also includes moves toward providing forest insurance, and making sure forest owners are aware of forestry incentive tax advantages.

It would be misleading for me to downplay the seriousness of the timber industry's present problems. I think the steps we've taken in recent months on federal timber sales show we are concerned. But I am convinced these problems are temporary and they should not make us lose sight of the preparations for a far-more healthy economic future.

We in USDA won't—and it's quite apparent from the theme of your meeting here that you haven't.

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Remarks prepared for delivery by Richard E. Lyng, deputy secretary of agriculture, before the Iowa State Trade Conference, Ames Iowa, May 20, 1982

Thank you for inviting me to join you today. It is certainly appropriate that here in Iowa, the nation's number one farm export state, you should have a conference like this, a conference which can play a vital role in exploring new ideas we can use to boost U.S. agricultural exports and put some vigor back into the farm economy. When Sen. Roger Jepson invited and urged me to participate here, I accepted immediately, both because of my high respect for him and because farm exports are so important, not only here in Iowa, but throughout the entire nation.

All of us at the U.S. Department of Agriculture, from Secretary of Agriculture John Block on down, are totally aware of the need for us to do everything we possibly can to maintain and expand exports. Let me start out by giving you an update on the work we've already done at USDA to promote exports and discuss a few of the new ideas we've been looking at recently. What we will hope to get from you and the other speakers here today is other views on that work and those ideas. In particular, I am eager to hear from representatives of the private sector because it's this administration's view that closer cooperation between private industry and government is the absolute key to realistic and workable ideas that can foster growth, not only in agricultural exports, but in the entire economy.

So what have we done for exports at USDA and what are some of the new ideas we have been looking at?

Let me take a few minutes to give you a broad overview of the actions we've already taken to boost exports. Many of these have focused on trade policy and access to foreign markets.

— First there was the removal of the embargo on agricultural sales to the USSR. That embargo clearly hurt producers, especially here in Iowa, more than it hurt the Soviet Union. We'll be meeting with the Russians in Paris again in a few days about the current grain agreement. It's a routine meeting, but the first with the Soviets since the Polish crisis. We are talking again. Since the embargo was lifted, the Soviets have purchased nearly 15 million tons of U.S. grain.

— Next we began a new series of market promotion efforts, including the dispatch of high-level sales teams to 14 developing countries with good growth potential in Africa, Latin America and Asia.

— We've had a series of meetings with the Japanese to get them to liberalize their import quotas which still cover 25 agricultural items. And we've made a concerted effort to get the EC to abandon its unfair trade policies

— The import restrictions and export subsidies—which have hurt our sales of wheat and other commodities. The sugar, pasta, poultry and canned fruits and raisin industries have brought Section 301 complaints against EC trade practices in the past year, adding their weight to the earlier protests by the citrus and flour industries.

— We've had new cooperator activities in China and West Africa and new agricultural trade offices in Beijing, Tunis and Lagos. We are looking forward to the opening of new cooperators' offices in Beijing by the American Soybean Association, U.S. Feed Grains Council, and U.S. Wheat Associates.

— I think there has been more effective use of export credit, including the maximum possible use of an authorization of \$2.5 billion for CCC credit guarantees and more careful targeting of both commodities and destinations to ensure maximum effect.

— There's been new impetus to work with the agriculture departments of the various states, including a major international food show in Atlanta next spring. We hope to see this show bring \$100 million more in annual export sales of processed food products.

— President Reagan took a major step on March 22 to restore importer confidence in the United States as a reliable supplier. Reliability has been an important concern for a number of our overseas customers. In a speech to agricultural editors, the president pledged there would be no return to the stop and go export policies of the past several years.

He said flatly that no export restrictions will ever be imposed because of rising domestic prices, and he repeated his pledge that the only way a farm export embargo would be imposed would be in the context of a broader embargo mandated by an extreme foreign policy situation.

"Farm exports," the president said, "will not be used as an instrument of foreign policy except in extreme situations and as a part of a broader embargo. Agricultural products are fungible; that is they are easily interchanged for the same commodity from other nations. For this reason, the embargo of 1980 was almost totally ineffective, yet it caused great economic hardship to U.S. agriculture. We will not repeat such an action."

Thus President Reagan became the first American president to flatly eliminate the possibility of any embargo for economic purposes. He went as far as any president safely could go in rejecting the embargo as a political instrument.

— We met with the other major wheat exporters in Ottawa last month. We pointed out that the United States has taken decisive steps to reduce production to help prevent a further decline in commodity prices. We urged the other exporters to take parallel action, including the elimination of export subsidies.

— We also made it clear that other measures will be needed if our competitors take advantage of our actions to increase their production and exports.

These are some of the steps we have taken to build agricultural sales overseas. At the same time, the Congress has shown more interest in and more support for agricultural trade than at any time in my memory. For example:

— The Agriculture and Food Act of 1981 contains authority for export subsidies, if necessary, to counter unfair trade practices of other countries and it established an as yet unfunded export credit revolving fund to stimulate export sales.

— The Senate and the House have passed resolutions protesting the European Community's proposal to impose a tariff quota on imports of corn gluten feed.

— Members of the Congress have met with officials of both the EC and Japan to urge an end to their unfair trade practices.

That is a brief and incomplete overview of some positive steps we have taken on the export front. As I suggested earlier, we are open and responsive to any and all ideas on how to do the export assistance job better. We are actively promoting some of the new ideas you've heard

about to expand overseas sales and we are looking into the feasibility of a number of others.

Secretary Block and the administration have been strong backers of the export trading company legislation pending on the Hill right now. The virtue of export trading companies is that they can help us compete more effectively with countries like Japan and South Korea whose commercial and banking activities are more closely fused than ours.

In agriculture, we feel export trading companies can help supplement sales of bulk commodities with more exports of value-added products like processed foods. Sales of value-added products have been running \$12 to \$13 billion a year and there is definitely potential for more. Sales of these products not only help the farmer who provides the raw materials, they also create other jobs. If we add even \$1 billion to these sales, we can generate 31,000 new jobs.

One of the ideas that has been a topic of discussion lately in the export field is bartering. Bartering by the Soviet Union, Argentina and Iran, and Thailand's use of bartering in its rice trade have brought this idea to the fore recently.

Since last March, we have been cooperating with several other government agencies in exploring the merits of bartering CCC stocks for petroleum and strategic and critical materials. At this time, a viable barter program of this type does not look too promising. We will continue to explore every barter opportunity, but also would encourage private sector initiative in this area. Perhaps some good, old fashioned "Yankee trading" can be of value in the expansion of barter in our agricultural foreign trade.

We are also exploring new ideas in the credit area. The USDA realizes our competitors, particularly the EC, can offer very attractive credit arrangements for buyers.

While relatively new, GSM-102 credit guarantees have proven themselves to be an effective tool in finding new markets for our farm products and maintaining our market share in the face of stiff competition. Thus far in fiscal 1982, these credit guarantees have been extended to importers in 21 countries for purchases of about \$2 billion in U.S. agricultural commodities.

We are assessing the potential benefits of additional export incentive programs against the likely cost to the taxpayer.

Financing exports is a critical area where we need to explore new possibilities, but we also need new ideas on improving the way we ship U.S. farm products. How well we service our customer's transportation needs is often every bit as important as financing.

The USDA's Office of Transportation has a number of ongoing projects aimed at improving the shipping of our agricultural exports—including improved containers for transporting cattle, fresh vegetables and other farm products. An idea that has received considerable attention recently involves new methods for shipping grain from inland points like Iowa to Mexico.

One method would be to put loaded rail cars on barges and float them to Vera Cruz and Tampico and re-rail the cars there for movement to other Mexico destinations.

Another innovation would be to place barges loaded with grain on the decks of oceangoing barges for offloading at Mexican seaports.

Both ideas have considerable merit because they would reduce costs and allow delivery at shallow draft ports. An additional benefit is that they would help shippers avoid the railcar congestion at the Texas border. These kinds of ideas will help us keep U.S. grain competitive in both Mexico and Central America.

There are no instant solutions to the problems we face in agricultural exporting today. No massive and expensive federal program will ensure us of stronger exports. But there are a host of smaller and more practical steps we can take to build our overseas sales.

I've mentioned only a few of the things we have been doing and exploring at USDA. I am looking forward to discussing them with you and hearing about other steps we can take in the drive to boost overseas sales. It's only by sharing and testing out new ideas that farmers, agribusiness and the government can make the choices that spell success.

Thank you.

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Testimony

U.S. Department of Agriculture • Office of Governmental and Public Affairs

**Statement by Raymond D. Lett, executive assistant to the secretary,
U.S. Department of Agriculture, before the Subcommittee on
Department Operations, Research and Foreign Agriculture,
Committee on Agriculture, U.S. House of Representatives,
May 19, 1982**

Mr. Chairman. . . I greatly appreciate the opportunity to participate in this combined hearing and workshop on computer-based information systems and services for rural America.

We in the U.S. Department of Agriculture especially welcome the attention which this Subcommittee is focusing on these information delivery systems. This workshop, for example, will serve as a valuable forum for exchanging information and technology—which, in turn, will help us in molding the department's services to better meet the needs of rural Americans.

In this period when profit margins in agriculture are suffering, and budget austerity is essential, it is sometimes difficult to convince people that space-age electronics are cost-effective and essential. Thus, we sincerely appreciate the leadership which you and the Subcommittee have undertaken, Mr. Chairman, to help demonstrate the value of this technology in modern agriculture.

In the interest of time and simplicity, I won't go into all of the details and legislative mandates that led to the department's entry into the world of electronic technology. But I do feel it might be useful to briefly note some of the significant guideposts that have brought us to where we are today.

For example, the United States has been the world's pioneer in basic technology and information exchange. Likewise, American agriculture always has been the envy of the world for its basic research and practical application of new production and marketing techniques. A major ingredient in making this system work has been the collection and sharing of information among government and academic sources, private businesses and individual citizens.

However, this produces mountains of paperwork. When multiplied to include all government-wide paperwork systems, these information networks become extremely costly in the eyes of Congressional bodies that are called upon to appropriate funds for storage and retrieval.

As you know, Mr. Chairman, this is what led to passage of the Paperwork Reduction Act of 1980. While that Act focused on the broader issue of managing overall information resources, it provided the impetus for our efforts in the Department of Agriculture to capitalize upon the use of computer-based systems for collecting, storing, sharing and delivering information.

We began by reassessing our motives and our methods for collecting and disseminating information to rural America. In that process, we discovered that a multitude of data collection and dissemination networks exist in the department. We also found that these systems often lack compatibility with each other.

A host of problems arise because of this incompatibility. First, it makes it difficult—and sometimes downright impossible—for one arm of the department to electronically share its information with another arm for policy-making purposes. This incompatibility also leads to costlier investments in hardware.

Further, it makes it difficult for non-department users of our data to efficiently tap into our respective systems for maximum use of all available information. Likewise, it often means that data which the department has spent tax dollars to gather and store cannot be retrieved in a form that is readily useable by the public for whom it was intended.

These kinds of problems highlighted the necessity of our taking a task force approach to implementing the Paperwork Reduction Act, and monitoring our dissemination of computer-based information.

Our goal is to ensure that funds for computer systems are spent as economically as possible...that internal data collection by respective agencies can be linked together for maximum effectiveness...and that data collected worldwide will be readily accessible within the executive branch ...to the Congress. . .to universities and other institutions. . .to private organizations and businesses, including those maintaining private computer information services. . .and to individual farmers.

Before proceeding further, Mr. Chairman, I want to make it absolutely clear that we. . .foresee USDA becoming the sole source of

computer-based information for rural America. There are several university-based and private data systems currently in existence—some of which are now being utilized by the department. Some of these are represented here at these sessions, and are scheduled to make presentations later on. Thus, I shall not usurp their participation.

We envision our role in the department as continuing to be primarily that of a fact gathering one. We are still considering the extent to which USDA should function as a disseminator of data. We firmly believe that these other public and private computer services can and should continue to serve the kinds of functions they presently fulfill, as well as whatever additional role they can perform for the benefit of their constituencies. The department does not seek to compete against these other services. Rather, we feel strongly that we can and should augment their collection and dissemination efforts.

With that as a backdrop, Mr. Chairman, I will summarize some of the efforts we are making today in USDA:

* Last November, our Foreign Agricultural Service began testing the release of information it previously published in written form via the electronic network known as AGNET, which is operated by the University of Nebraska. AGNET subscribers are typically farmers and ranchers, agricultural lenders and bankers, farm managers, agricultural consulting firms, and exporters of agricultural commodities. Most users of this system are located in the Midwest and Northwest, although the subscriber list is growing by leaps and bounds, and now encompasses users in at least 40 of the 50 states.

The results have been excellent. Feedback from users, as well as the growing number of people and organizations joining the system, indicate a highly successful test. As a result, FAS has added other information to this AGNET system.

Since March, for example, we have been adding daily the agricultural trade leads received by our agricultural attaches from foreign importers. The success of any trade lead depends upon the speed with which it is fed to interested exporters for their response. By using AGNET, these leads can be received and acted upon within a matter of hours—rather than the days or weeks it might have taken under the old system that utilized the mail.

Last year—before we used AGNET—these leads resulted in export sales of some \$170 million...primarily processed products. We are putting about 60 trade leads into this system each week. We expect this volume to increase significantly as U.S. suppliers capitalize upon the competitive edge it gives them over foreign competitors.

Mr. Chairman, I know that you can appreciate what these expanded export sales mean to rural America. We have been told by many receivers of this information that these trade leads and other details are very valuable. More importantly, we have seen a significant increase in the response to these trade leads from exporters, agricultural cooperatives and other businesses—including many in California—since we put these trade leads on the AGNET system.

FAS also recently inaugurated a new minicomputer/telecommunications hookup, in conjunction with the State Department, that eventually will link the 67 agricultural attaches and counselors abroad with headquarters in Washington. Data from satellite monitoring on worldwide crop production and marketing will be available almost instantaneously to headquarters analysts. Our representatives overseas, likewise, will be able to obtain domestic crop production and marketing developments for buyers overseas.

* As you know, Mr. Chairman, rapid dissemination of market intelligence is vital to anyone engaged in marketing agricultural products. This is true for American farmers, just as it is true for those involved in export trade. That is why our Agricultural Marketing Service updated its leased wire market news network two years ago.

This upgraded system—which formerly transmitted market news at the rate of 150 words per minute—now transmits this vital information at 1,200 words per minute over 14,500 miles of leased wire between approximately 140 terminals. In a typical day, between 700 to 900 different reports are transmitted...and each report is retransmitted an average of 30 times.

Presently, the primary use of this market news system is to transmit reports between market news offices, for consolidation and dissemination to the news media and other major users or disseminators. A firm or individual willing to pay the cost of subscribing to this system may do so.

The next generation of market news communications equipment might well be high-speed computers. These would permit individuals and firms to selectively receive prices and market data on any of the more than 150-plus commodities now carried via their own home computer terminal.

In cooperation with several States, AMS also has funded several projects to test the electronic marketing of lambs, hogs, feeder cattle, eggs and wholesale meat. The results of these tests have been mixed. In most cases, sufficient volume was not generated to sustain their operation permanently. The exception could be the lamb marketing test, where discussions are going on to determine if industry can pick up this system.

* The Office of Governmental and Public Affairs, through a private contractor, is disseminating news releases, reports and other useful information to news media, State Departments of Agriculture, State Extension Services and some of the Department's own field information offices.

Much of this information, in turn, is further disseminated through respective computer systems operated by different land-grant universities such as Nebraska's AGNET, Michigan State's TELPLAN, Purdue's FACTS, Virginia Tech's CMN, Kentucky's ANSWER, and several others. AGNET, CMN and TELPLAN can be accessed nationwide, while FACTS is only intrastate. Each of these systems was developed with support from the Federal Extension Service.

* Since 1974, the Federal Extension Service has operated a computerized outlook information network, known as COIN, to disseminate copies of various economic and statistical reports. This material is available to all state extension services through Virginia Tech's CMN network. Some states retransmit these reports to their county offices, where the information is readily available to local citizens.

The videotex concept which our Extension Service also developed, underwent a very successful test in the Kentucky "Green Thumb" project. The second generation of this concept is now being installed in two other states, and is being picked up by private computer services.

* Going even farther back in time, Mr. Chairman, the department recognized a need for an automated system for storing and retrieving

research information in the mid-1960's. By 1969, USDA went "on-line" with its Current Research Information System—or CRIS, as it is known.

This system provides ready access to the details of research activities among the department's research agencies, the 58 state agricultural experiment stations, 15 schools of forestry, 30 schools of veterinary medicine, the 16 1890 land-grant colleges, and Tuskegee Institute. This information covers about 95 percent of the nation's publicly-supported agricultural research.

* These respective systems have highlighted the need for a clearinghouse of information on computer services and software programs available to rural America. Our Science and Education staff is developing just such a catalog, plus an on-line retrieval service, for use by agricultural scientists, Extension specialists and other researchers and educators. This clearinghouse of information should help reduce the duplication of effort in developing computer software.

* Finally, I want to mention the Federal Assistance Programs Retrieval System which was developed and is managed by USDA for the Office of Management and Budget. This program originally was designed to aid small, rural communities that were unfamiliar with Federal assistance programs or were unable to identify those with the greatest funding potential.

The system provides information on these federal programs to help communities meet their development needs. Since its origination, the system has been expanded to cover both rural and urban areas, and is now accessible in 44 states.

You'll be interested in knowing, Mr. Chairman, that the town of Adelanto, California, made good use of this system when it was looking for help to finance a new water system, a community center, and an addition to its public library.

In addition to these services, virtually all agencies in the department are increasingly relying upon some form of word processing equipment and/or "electronic mail" systems for rapid transmission of program information and reports. Some of these systems can be tapped by non-government subscribers, depending upon their needs and the department's requirements for confidentiality of certain data.

As I indicated earlier in my comments, a good deal of the impetus for the department's use of these systems came from the same pressures that led to the Congressional mandate in the Paperwork Reduction Act. For years, we have printed and distributed—free—millions and millions of reports and papers in one form or another. In many cases, little thought was seriously given to the needs of the users of this information. We tended to assume they wanted all the details.

Thus, we printed and mailed voluminous reports and materials...and the cost of doing that has become astronomical. As costs have risen, we and the users have begun to question the need to continue this practice.

With high-speed communications technology putting such a high value upon timely information, many users can no longer afford to wait for data to be received through the mail. This pressure has been largely responsible for the growth of private computer data systems.

This new era of computers also has forced us to reexamine other concepts. For example, to what extent should we charge users for the information they receive? Should USDA build the electronic data base, and leave private industry to do the dissemination? At what point in the overall system should the department provide private individuals access to its computers, versus disseminating data to private systems that supply paid subscribers? Currently, we have a task force looking at these and other issues...including the extent to which information can be shared electronically.

Mr. Chairman, I sincerely believe that the day is not far off when the American farmer—upon getting up in the morning—will flip the switch on his home computer terminal instead of turning on the radio. As he keys in the appropriate access codes, his monitoring screen will produce an up-to-date analysis for his type of farm for that day—including weather and growing conditions in major worldwide production areas...pertinent data on prices, market conditions, credit, and related forecasts...production factors in his own operations...and, finally, a prioritized list of the things he should do that day to take advantage of that day's options. It might even include, a reminder of the list of things his wife wants him to buy in town, should his agenda call for him to make the trip that day.

This may sound far-fetched to some people. But as we here today know, the electronic gadgetry exists right now to do just that. What is

presently missing is the software to implement such a system...the data collection networks to gather the analytical base...the financial resources to put everything together...and the human resources to make it work perfectly.

Thank you, Mr. Chairman. I'll be happy to answer any questions which you and the subcommittee have.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

EIGHT EMPLOYEES TO RECEIVE USDA'S HIGHEST AWARD

WASHINGTON, May 16—Eight employees of the U.S. Department of Agriculture will receive Distinguished Service Awards, USDA's highest honor, at ceremonies here May 19.

Secretary of Agriculture John R. Block will present the awards, while U.S. Sen. Robert J. Dole (R-Kan.) will deliver the keynote address during USDA's 36th annual honor awards ceremony. The ceremony will be held in the Departmental Auditorium on Constitution Avenue at 10:30 a.m.

Two USDA units also will receive the Distinguished Service Award:

— the Florida Mediterranean fruit fly eradication team, Tampa, Fla., for its work during the 1981 Medfly infestation in Tampa; and

— the Plum Island, N.Y., Animal Disease Center foot-and-mouth disease vaccine team for pioneering work in achieving the first production—through gene splicing—of an effective vaccine against a disease in either humans or animals.

Superior Service Awards, USDA's second highest honor, will be presented to 73 individuals and 19 groups.

Those receiving the Distinguished Service Award are:

Richard L. Bernard, Agricultural Research Service, Urbana, Ill.

Russell H. Hinds, Jr., Office of Transportation, Washington, D.C.

Donald L. Houston, Food Safety and Inspection Service, Washington, D.C.,

Larry V. Russell, Animal and Plant Health Inspection Service, Mission, Texas.

Nunzio G. Santacroce, Animal and Plant Health Inspection Service, Hyattsville, Md.

Randall E. Torgerson, Agricultural Cooperative Service, Washington, D.C.

Delmar F. Wilken, Cooperative Extension Service, Urbana, Ill.

Robert L. Youngs, Forest Service, Madison, Wis.

Members of the 1982 Honor Awards Committee are:

Raymond D. Lett, executive assistant to the secretary, chairman; **Joe Berkely**, publisher of the High Plains Journal, Dodge City, Kan.; **Donald E. Brock**, president, Signal Produce Co., El Centro, Calif.; **Donald F. Crossan**, dean, College of Agricultural Sciences, University of Delaware, Newark, Del.; **Nita Gibson**, national president, Women Involved in Farm Economics, Seminole, Texas; and **Hosea L. Williams**, Georgia State House of Representatives, Atlanta, Ga.

Following is a list of USDA's Distinguished Award Winners:

RICHARD L. BERNARD, Agricultural Research Service, Urbana, Illinois, for contributions to the knowledge of soybean genetics and the development of superior soybean cultivars that have had a major impact on increasing soybean production.

RUSSELLyH. HINDS, Jr., Office of Transportation, Washington, D.C., for unique and sustained accomplishments in applied research leading to the development of improved transport methods and equipment for shipping American perishable food products to overseas markets.

DONALD L. HOUSTON, Food Safety and Inspection Service, Washington, D.C., for distinguished and creative management ability in developing an effective organization and for initiating the modernization of the meat and poultry inspection program.

LARRY V. RUSSELL, Animal and Plant Health Inspection Service, Mission, Texas, for heroism, determination and extreme courage despite extensive personal injuries in seeking help to rescue a helicopter pilot severely injured in a crash.

NUNZIO G. SANTACROCE, Animal and Plant Health Inspection Service, Hyattsville, Maryland, for excellence in developing and implementing Plant Protection and Quarantine's first foreign site inspection program resulting in the creation of PPQ's international programs and furthering protection of American agriculture.

RANDALL E. TORGERSON, Agricultural Cooperative Service, Washington, D.C., for outstanding management and leadership in the development of a highly efficient, visible and responsive program of research, technical assistance, education and service to the agricultural community.

DELMAR F. WILKEN, Cooperative Extension Service, Urbana, Illinois, for outstanding leadership, professionalism and innovation in developing and implementing effective farm business analyses and record keeping systems which benefit farmers and other users in Illinois and nationwide.

ROBERT L. YOUNGS, Forest Service, Madison, Wisconsin, for exceptional leadership in developing a favorable environment for innovative research and high intellectual achievement.

#

SCIENTISTS TRACKING LEAD ON MAKING HYBRID CROPS DISEASE-RESISTANT

WASHINGTON, May 17—Agricultural scientists have discovered that genetic material called plasmids in corn and sorghum may be a key to breeding desirable traits, such as disease resistance, into these crops.

Daryl R. Pring, plant pathologist with the U.S. Department of Agriculture's Agricultural Research Service, reported the finding today at the opening session of a three-day symposium on genetic engineering at the Beltsville, Md., Agricultural Research Center.

But don't look for quick development of new plants that could prevent disease from wiping out today's hybrid crops, Pring cautions.

Future use of the plasmids in breeding will require a great deal of research, Pring said. Capitalizing on the plasmid's potential, he emphasized, will have to await perfection of the genetic engineering techniques involved, and this could take many years.

Pring, who does research for USDA's Agricultural Research Service in Gainesville, Fla., said the discovery is significant because it may give plant breeders the ability to overcome the disease susceptibility that can accompany male sterility in corn.

Plasmids could be a new source of male sterility in corn, he said. In the past, a source called the T cytoplasm had been relied on to produce this sterility, but it caused corn to be susceptible to disease.

Pring said plasmids may carry the genetic information that produces male sterility in corn. It is a genetic trait prized in plant breeding.

When plant breeders produce hybrid offspring, they cross-pollinate different plants of the same species—such as corn—to transfer genetic traits between them. Usually, the pollen or male part of the flower is removed by hand to guarantee male sterility.

Use of the plasmid may guarantee sterility and save a lot of hand work, Pring said. Male sterility insures that the seeds produced are hybrids—that such seeds produce plants that have been cross-pollinated to capture desirable traits such as increased yield, improved seed quality and drought resistance.

Earlier, Pring and geneticist C. S. Levings of North Carolina State University discovered the plasmids while studying male sterility in corn in cell structures known as the mitochondria, which are energy-producing bodies in cells.

After the discovery in corn, Pring and his associates and USDA geneticist K. F. Schertz at College Station, Texas, found similar plasmids in male sterile sorghum. These plasmids also were located in the mitochondria. Pring said that because corn and sorghum plasmids are chemically similar, the findings suggest a common mechanism of male sterility in these two plants.

"Our studies are designed to alter the T cytoplasm gene to eliminate disease susceptibility in corn," the scientist said.

"On the other hand, our sorghum work is preventive medicine," Pring said. "In sorghum, male sterility is not linked to disease susceptibility. We want to broaden the cytoplasmic base of sorghum to avoid potential disease or insect problems."

Pring and an interdisciplinary team of USDA and state scientists began to suspect that plasmids were responsible for male sterility while undertaking studies on corn mutants—plants in which genetic alterations occur naturally and are unexplained.

What the scientists found was evidence of the possible evolutionary origin of male sterility in corn. They located "free plasmids"—independent, tiny molecular entities associated with the mitochondria—in the cytoplasm of one male-sterile mutant of corn. These plasmids may have come originally from fertile corn, Pring said, but were cut out during the evolutionary process, converting the plant from male fertile to male sterile.

At the University of Illinois, geneticists J. R. Laughnan and S. J. Gabay-Laughnan found corn mutants. Then, Pring and Levings, working with the Illinois collaborators, found evidence that the plasmid had been integrated back into the mitochondrial genetic material, making the plant self-fertile.

Pring said plasmids are widely found in microorganisms and often are associated with antibiotic resistance bacteria. Genetic engineering technology is successfully being applied to microorganisms and will work in higher plants, according to the scientist.

"I expect to see major demonstrations of the technology in higher plants before the 21st century," Pring said. "Researchers in Germany and Belgium already have genetically engineered tobacco plants."

USDA's Agricultural Research Service, the USDA Competitive Grants Program and the Florida Agricultural Experiment Station supported the cooperative research, with input from state collaborators and the Plant Breeding Institute, Cambridge, England.

#

USDA PROPOSES CHANGES TO LESSEN REGULATORY LOAD UNDER P&S ACT

WASHINGTON, May 17—The U.S. Department of Agriculture is proposing several changes in the rules and policies of the Packers and Stockyards Act that are designed to lessen the regulatory burden on the livestock and meat industries.

B.H. Jones, administrator of USDA's Packers and Stockyards Administration, said the proposals generally follow recommendations made by a USDA task force last August.

"We've found ways to maintain reasonable protection for the public, while doing away with unnecessary or unduly restrictive rules," Jones said. "The proposals also will reduce reporting requirements, clarify existing regulations and reduce the cost of doing business."

USDA is proposing to remove:

- a rule which prohibits meat packers from owning or managing custom feedlots;

- a rule which duplicates a statutory provision which allows livestock exchanges, associations or organizations to enforce rules on their own members; and
- a policy statement regarding rules and practices of individual stockyard owners which no longer is needed because of a recent court decision.

"We are proposing to issue a new policy statement regarding packer-custom feedlot operations suggesting that packers considering such an arrangement consult with us ahead of time and they should carefully consider if such arrangements would constitute a conflict of interest or result in decreased competition," Jones said.

"Suspected violations will be investigated on a case-by-case basis and appropriate actions will be taken if necessary," Jones said.

Written comments on the proposals should be sent by July 12 to: Packers and Stockyards Administration, rm. 3039-S, USDA, Washington, D.C. 20250. Phone: (202) 447-7051. Comments will be available for public inspection.

#

HAITI BEGINS PROGRAM AGAINST AFRICAN SWINE FEVER

WASHINGTON, May 17—As part of an international cooperative program to eradicate African swine fever from their country, Haitians are now eliminating pigs, a U.S. Department of Agriculture official said today.

Since there is no vaccine or cure for African swine fever, the only way to eliminate the disease is to eliminate the hogs and bring in disease-free stock later, said Harry C. Mussman, administrator of USDA's Animal and Plant Health Inspection Service.

Mussman said Haiti proclaimed a state of agricultural emergency April 29 to facilitate the eradication and the subsequent redevelopment of the swine industry there.

Mexico, Canada and the United States are providing funds, personnel, equipment and technical assistance for the eradication program, which is administered by the Inter-American Institute for

Cooperation in Agriculture in association with the Haitian Ministry of Agriculture.

"Haiti has suffered heavy swine losses since African swine fever invaded the country late in 1978," Mussman said. "The presence of the disease is a threat to the swine industries of other western hemisphere countries. It is extremely infectious and no one has yet developed a cure or a vaccine for the disease."

The Dominican Republic, which shares the island of Hispanola with Haiti, recently completed a successful eradication program and is now rebuilding its swine industry.

"Ridding Haiti of the disease will help assure that the Dominican Republic remains free of the disease," Mussman said.

Initially, Haitian swine will be eliminated in the northwestern part of the country on a trial basis before the government extends the program to the remainder of the country, Mussman said.

"Many swine owners in the region have already voluntarily killed or marketed their animals," Mussman said. "Those who still have pigs will be paid after their animals are slaughtered and the meat will be returned to them for their use. The African swine fever virus presents no hazard to people and they may safely eat the meat of infected pigs."

Program officials estimate that slaughter throughout the country will be completed early in 1983. After a period of surveillance to assure that no virus remains, Haiti will begin to restock rural areas with productive breeds of healthy swine.

A side benefit of the eradication will be the elimination of other swine diseases that currently exist in Haiti, Mussman said. Educational programs will help rural Haitians develop alternate sources of protein during the period when they are without pigs.

#

SCREWWORMS THREATEN TEXAS AGAIN

WASHINGTON, May 17—Screwworms are a threat to Texas livestock and pets for the first time since late May of 1981, as a result of an outbreak in Mexico near the border, according to a U.S. Department of Agriculture veterinarian.

No screwworms have been found in Texas, but the Mexican outbreak is close to the U.S.-Mexico border, near the area where the Pecos River enters the Rio Grande, said John K. Atwell, deputy administrator of USDA's Animal and Plant Health Inspection Service.

"Employees working on a ranch in Mexico about 16 miles west and 8 miles south of Comstock, Texas, collected worm samples from wounds on the heads of two rams April 20 and 25," Atwell aid. "The wounds were treated on seven other sheep. On May 3, the samples were given to an inspector of the Mexico-U.S. Screwworm Commission and on May 6 they were identified as screwworm larvae."

"Activities to stop this new infestation are well underway—including releasing sterile screwworm flies, inspecting animals, trapping flies and distributing a combination bait-attractant-insecticide known as SWASS—screwworm adult suppression system," Atwell said.

The nearest known infestation in Mexico is about 500 miles away. Inspectors on both sides of the U.S.-Mexican border are checking for additional screwworm infestations.

Screwworms are the larval stage of the screwworm fly, which deposits its eggs on the edges of cuts and wounds in warm-blooded animals. As the eggs hatch, the tiny larvae enter the wound to feed on living flesh. Odors from the infested wounds attract other female flies, which lay more eggs. Repeated infestations can kill the host animal.

Screwworms were eradicated from the United States and much of northern Mexico by releasing millions of artificially reared sexually sterile screwworm flies to mate with native screwworm flies. The native flies which usually mate only once, then produce only infertile eggs.

A cooperative U.S.- Mexican eradication program is currently underway to eliminate the pest from most of Mexico and establish a permanent barrier zone of sterile flies at the Isthmus of Tehuantepec in southern Mexico.

"All livestock and pet owners should watch their animals carefully for signs of screwworm infestation," Atwell said. "They should submit samples of any worms found in any wound in a warm-blooded animal for laboratory identification. Postage-paid sample collection kits are available from county agents, animal health officials, veterinarians and feed stores."

#

EXOTIC NEWCASTLE DISEASE DIAGNOSED AGAIN IN CALIFORNIA

WASHINGTON, May 17—Baby yellow-naped Amazon parrots have again brought exotic Newcastle disease to southern California, according to a U.S. Department of Agriculture veterinarian.

Dr. Bill Ketter, of USDA's Animal and Plant Health Inspection Service, said the disease was diagnosed by a California laboratory.

Bob Ashway, owner-manager of the Fancy Feather Pet Shop, Pico-Rivera, told USDA investigators he bought two young yellow-naped Amazons from a peddler April 23. He subsequently sold one and, when the bird died, the owner took it to the laboratory where the exotic Newcastle virus was isolated.

"All 150 birds remaining in the store will be destroyed to prevent further spread of the disease," Ketter said. "All bird sales since April 23 will be traced and evaluated. The owners will be paid federal indemnities for any birds destroyed to help compensate for their losses."

Although the disease causes high mortality in poultry and other bird species, exotic Newcastle poses no health risk to people who eat eggs or poultry. However, the virus can cause an eye infection in people who handle diseased birds. Although the eye infection is usually a minor ailment, it should be treated by a physician, Ketter said.

#

WESTERN U.S. TO HAVE GOOD TO EXCELLENT SUMMER WATER SUPPLY

WASHINGTON, May 18—Water supplies should be good to excellent for much of the West this summer, according to the season's final coordinated report issued today by the U.S. Departments of Agriculture and Commerce.

Peter C. Myers, chief of USDA's Soil Conservation Service, said streamflow is forecast to equal or exceed normal in almost all areas in the West.

Surveys carried out the first of May revealed generally good mountain snowpack conditions at high elevations. Most rivers have yet to reach their spring peaks.

Many reservoirs will be filled during the runoff, and almost the entire region will have ample stored water to supplement late season streamflow, Myers said.

The state-by-state outlook is:

Alaska: Snowpack is near normal over most of the state.

Arizona: Snowpack has melted and rivers are receding to summer levels. Reservoirs are fuller than normal and water supplies should be adequate.

Colorado: Snowpack statewide is 123 percent of normal, ranging from near normal on the South Platte to 143 percent on the Yampa.

Idaho: Heavy snowpack remains over most mountain ranges. Runoff will be much above normal.

Montana: A snow-deficient area in south central Montana will result in a small area of below runoff. Elsewhere, streamflow should be normal or above.

Nevada: Record heavy snows in early April greatly increased the snowpack. Runoff will be much above normal in all areas.

New Mexico: Heavy snowpack remains on the Rio Chama headwaters. Late season water should be excellent along the Rio Grande and Rio Chama.

Oregon: Streamflow will exceed normal in most areas. Reservoirs are currently about 80 percent of capacity, and are expected to fill during the spring runoff.

Utah: Snowpack is depleted in the south, but is still heavy in the north. Reservoir storage is average. Water supplies should be excellent.

Washington: Snowpack is above normal, and runoff is expected to be normal to above normal. Most reservoirs will fill during the snowmelt season.

Wyoming: Snowpack and runoff conditions vary widely across the state. Below normal streamflow is forecast for the Black Hills and Laramie Range. Above normal runoff is forecast in western Wyoming, and near normal elsewhere. Summer rainfall does not normally have a major effect on these forecasts, since about 75 percent of the region's water comes from melting snow, Myers said.

The Soil Conservation Service surveys snowpack and monitors snowmelt at 1,600 sites and forecasts streamflow at nearly 500 locations throughout the West each month from January through May.

USDA specialists, in cooperation with the National Weather Service of the National Oceanic and Atmospheric Administration, U.S. Department of Commerce, analyze the data and issue monthly forecasts of runoff and water supplies.

#

BLOCK NAMES VERN HIGHLEY TO HEAD USDA'S AGRICULTURAL MARKETING SERVICE

WASHINGTON, May 18—Secretary of Agriculture John R. Block has announced his intention to name Vern F. Highley, a Southwest cotton association executive and former U.S. Department of Agriculture employee, as administrator of USDA's Agricultural Marketing Service, effective June 1.

He will serve under C.W. McMillan, assistant secretary for marketing and inspection services. The Agricultural Marketing Service is one of seven USDA agencies under McMillan.

"My appointment of Vern Highley is a continuation of my intent to place experienced and knowledgeable agriculturalists in appointive positions in USDA," Block said.

The Agricultural Marketing Service has about 5,000 full-time, part-time and seasonal employees. It carries out a variety of marketing activities, including grading food, cotton, tobacco and naval stores; inspecting egg products for wholesomeness; administrating marketing orders for fruits, vegetables, specialty crops and milk; commodity market reporting; purchasing of food for USDA family feeding programs; warehouse examination; marketing research; monitoring of several commodity research and promotion programs; and administration of such regulatory statutes as the Perishable Agricultural Commodities Act, Federal Seed Act, and Plant Variety Protection Act.

For the past seven years, Highley has been employed by Plains Cotton Cooperative Association in Lubbock, Texas. He has most recently been serving as vice president and corporate secretary and also served as corporate secretary of a companion association engaged in textile manufacturing, American Cotton Growers.

Highley, 48, was on the executive staff handling field operations and communications for Calcot, Ltd., a worldwide cotton cooperative in Bakersfield, Calif., for about nine years, and in a similar position with Valley Nitrogen Producers in Fresno, Calif., for two years.

He was employed by USDA from 1970-75, serving most recently as an administrative assistant to former Secretary of Agriculture Earl Butz. Highley also did special assignment work for former Secretary of Agriculture Clifford Hardin and was deputy director of the information division in USDA's Agricultural Stabilization and Conservation Service.

During 1971, he was on special assignment to the White House Cost of Living Council, serving as assistant director of legislative affairs.

A native of Carterville, Mo., Highley was raised in the Imperial Valley of California. In 1956, he earned a bachelor's degree in agriculture from California Polytechnic State University in San Luis Obispo, Calif., where he majored in agricultural journalism.

Highley replaces Mildred Thymian, who recently resigned.

#

USDA CLARIFIES HANDLING OF PRODUCE MISREPRESENTATION CASES

WASHINGTON, May 19—Amendments to regulations under the Perishable Agriculture Commodities Act clarify informal settlements on misrepresentation violations, relax the cumulative record requirements and increase the licensing exemptions to \$230,000, according to a U.S. Department of Agriculture official.

The Perishable Agricultural Commodities Act, administered by USDA's Agricultural Marketing Service, establishes a code of good business conduct for the produce industry and requires that all interstate traders in fresh and frozen fruits and vegetables must be licensed by USDA.

John J. Gardner, of the AMS Fruit and Vegetable Division, said the changes in PACA regulations make it clear that informal procedures for resolving instances of misrepresentation of fruits and vegetables is not limited to the first seven violations. Informal procedures for settlement

range from a warning letter for the first two violations to penalties up to \$2,000 for additional violations.

Current regulations require that records of misrepresentation violations be destroyed if there were no violations during a 24-month period but be retained indefinitely if violations occurred periodically. Under the changes, the 24 month clean period remains in effect but any record of misrepresentation more than 36 months old will be destroyed unless it already has been included in a formal disciplinary action, Gardner said.

Other changes in the regulations increase from \$200,000 to \$230,000 the licensing exemption for retailers and frozen food brokers and raise the \$3,000 to \$15,000 the level of monetary damages necessary for automatic granting of an oral hearing.

#

FIRST SCREWWORMS FOUND IN A YEAR

WASHINGTON, May 20—The first case of screwworms in the United States since May 1981 has been found in the Rio Grande valley of south Texas.

John K. Atwell, deputy administrator of U.S. Department of Agriculture's Animal and Plant Health Inspection Service, said that larvae were collected about 15 miles northwest of McCook in Starr county on May 17 by an inspector of the Texas Animal Health Commission.

"Activities to stop this Texas infestation have already begun," Atwell said. "This includes releasing sterile screwworm flies, inspecting animals, trapping flies and distributing a combination bait-attractant-insecticide known as SWASS—Screwworm Adult Suppression System.

"The animals in the affected herd have been sprayed," Atwell continued. "In addition, we have sprayed a shipment of animals from the ranch that went through a sale barn at Alice during the past week. Another shipment of animals to Olton is being traced so it can be sprayed."

The nearest known infestation is some 200 miles south near Soto la Marina in the Mexican state of Tamaulipas. Inspectors in the United

States as well as in Mexico are searching for additional screwworm infestations.

Screwworms are the larval stage of the screwworm fly, which deposits its eggs on the edges of wounds in warm-blooded animals. As eggs hatch, the tiny larvae enter the wound to feed on living flesh. Odors from the infested wounds attract other female flies, which lay more eggs. Repeated infestations can kill the host animal.

Screwworms were eradicated from the United States and much of northern Mexico by releasing millions of artificially reared sexually sterile screwworm flies that mate with native screwworm flies, causing them to produce only infertile eggs.

A cooperative U.S.-Mexican eradication program is currently underway to eliminate the pest from most of Mexico and establish a permanent barrier zone of sterile flies at the Isthmus of Tehuantepec in southern Mexico.

"It's extremely important for all livestock and pet owners to watch their animals carefully for signs of screwworm infestation." Atwell said. "They should submit samples of any worms found in any wound in a warm-blooded animal for laboratory identification. Postage-paid sample collection kits are available from county agents, animal health officials, veterinarians and feed stores.

"Only in this way can we locate any additional infestations that may exist," Atwell said.

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MEDFLY REGULATIONS END IN THREE CALIFORNIA COUNTIES

WASHINGTON, May 21—Mediterranean fruit fly quarantine regulations will be lifted from Los Angeles, Stanislaus and San Benito Counties in California on June 1, according to U.S. Department of Agriculture officials.

"This marks a major step forward in the fight to rid California of the Medfly," said USDA Assistant Secretary of Agriculture C.W. McMillan. "It means we are confident that no more Medflies are present in these counties."

Santa Clara, San Mateo, Alameda and Santa Cruz Counties remain regulated but their status will be reevaluated during the summer. Produce which could host the Medfly may not move out of these counties unless treated.

"It is possible that the Medfly is gone from all of California," McMillan said, "but we want to be certain before lifting regulations from the remaining areas."

He said it would probably be early fall before eradication is declared in the entire state, even if no more Medflies are found.

"California farmers are eager to resume regular shipments of high quality produce to other states and anxious to resume normal trade with Japan, our leading export market," said McMillan. "With the major shipping season on now, it's a real relief to California producers and receivers."

Japanese agricultural officials have said they would lift restrictions placed on produce from non-regulated counties in California when USDA declared complete eradication in Los Angeles and Stanislaus Counties. McMillan said intensive trapping will continue in Los Angeles, Stanislaus and San Benito Counties.

Notice of the changes in the regulations is scheduled to be published in the June 1 Federal Register.

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